The Director of Central Intelligence

Washington, D. C. 20505

22 JUL 1982

The Honorable Frank C. Carlucci Deputy Secretary of Defense Washington, D.C. 20301

Dear Frank:

I fully understand the concern expressed in your letter of 8 July about the funding level for the National Foreign Intelligence Program (NFIP) for FY 1984-1988. You and your department have been most supportive of the NFIP in the past.

Preliminary review of the budget forecasts for the NFIP suggests that, if constrained to the levels contained in the FYDP, the NFIP will be unable to fund all of the initiatives begun in recent years, much less proceed with the rebuilding effort called for in the 1985 Capabilities Study. This would seriously delay the achievement of capabilities that we both believe are essential to the security of the nation. I consider it critically important that we proceed with the planned build-up in the intelligence program to counteract the drawdown of the past decade. This would be especially important if circumstances preclude the rapid build-up of Defense capabilities.

I have asked all Program Managers in the NFIP to review carefully their proposed programs and to make the hard choices between current and future capabilities. I expect, however, that to achieve our objectives it will be necessary, with the support of Secretary Weinberger and yourself, to pursue additional funding for the NFIP, and to do that in ways that do not affect essential Defense programs.

Sincerely,

William J. Casey

All portions of this letter are CONFIDENTIAL

